



# Activity Review

## North Carolina State Board of Certified Public Accountant Examiners

1101 Oberlin Road, Suite 104, PO Box 12827, Raleigh, NC 27605 (919) 733-4222 Issue No. 10-2002

### SSARS No. 8: New Guidance for Compilation Engagements

Although the Accounting and Review Services Committee (ARSC) of the American Institute of CPAs (AICPA) put an end to plain-paper financial statement engagements with the issuance of Statement on Standards for Accounting and Review Services (SSARS) No. 1, *Compilation and Review of Financial Statements*, the accounting profession has continued to debate the issue.

Rapid advances in information technology and low-cost software have enabled even the smallest of reporting entities to record its own transactions and prepare its own financial statements.

Nevertheless, many non-public entities rely on their CPAs for varied accounting and business advisory services that often include the preparation of financial statements, even if only for management use.

When the ARSC issued SSARS No. 7, *Omnibus Statement on Standards for Accounting and Review Services*, practitioners supposedly had complete clarification of when a compilation report needed to be attached to the financial statements. In many cases, however, the guidance in SSARS No. 7 has not been followed.

In October 2000, the ARSC issued SSARS No. 8, *Amendment to Statement on Standards for Accounting and Review Services No. 1, Compilation and Review of Financial Statements*.

SSARS No. 8 provides communication and performance requirements for

unaudited financial statements where there is no expectation that the financial statements will be utilized by third parties.

Many reporting entities that need timely financial information for management's use may not need that information in the form of financial statements that comply, in all material respects, either with generally accepted accounting principles (GAAP) or an other comprehensive basis of accounting (OCBOA).

ARSC has concluded that a compilation report may not be necessary for these types of reporting entities and has developed new compilation engagement guidance that allows "restricted use" financial statements to be compiled without following the reporting guidance in the SSARSs.

Nonetheless, the performance standards in the SSARSs must still be followed.

If the financial statements are not expected to be used by a third party, the new guidelines in SSARS No. 8 provide the following communication options:

- A compilation report may be issued in accordance with the reporting requirements of SSARS No. 1 (essentially, the status quo).
- An understanding of the engagement with the client may be documented through an engagement letter, preferably signed by management, regarding the services to be performed and

the limitations on the use of financial statements.

If the engagement letter approach is used, documentation of the understanding of the engagement in the engagement letter should include the following statements:

- The nature and limitations of the services to be performed are described in the letter.
- A compilation is limited to presenting, in the form of financial statements, information that is the representation of management.
- The financial statements will not be reviewed or audited.

**SSARS No. 8**

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[www.state.nc.us/cpabd](http://www.state.nc.us/cpabd)

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## Disciplinary Actions

**Bruce S. Atkins #11796**  
**Weaverville, NC 09/23/02**

*THIS CAUSE* coming before the Board on September 23, 2002, at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present, the Board finds, based on the clear and convincing evidence presented, that:

### FINDINGS OF FACT

1. Bruce S. Atkins is the holder of a certificate as a Certified Public Accountant in North Carolina and is therefore subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Bruce S. Atkins failed to timely obtain a State Quality Review (SQR) in accordance with provisions as required by NCGS 93-12(8c) and 21 NCAC 8M.0102.
3. Bruce S. Atkins has subsequently failed to provide documentation to the Board that his SQR has been completed and is in excess of 120 days from the required completion date.

### CONCLUSIONS OF LAW

1. Bruce S. Atkins' failure to timely obtain an SQR prior to the prescribed completion date is a violation of NCGS 93-12(8c) and 21 NCAC 8M.0102.

*BASED ON THE FOREGOING*, the Board orders that:

1. Bruce S. Atkins' certificate is suspended for at least thirty (30) days from the date this Order is approved and until the required SQR compliance information is received by the Board.
2. If Bruce S. Atkins fails to return his suspended certificate within fifteen (15) days of the receipt of this Order, the thirty (30) day suspension will be extended by the number of days that his certificate is late in being returned to the Board office.

3. If Bruce S. Atkins returns his suspended certificate within fifteen (15) days of the receipt of this Order, Bruce S. Atkins can, after at least thirty (30) days, and the completion of his firm's SQR, apply to return his certificate to active status by submission and approval of a reissuance application which includes:

- a. Application form,
- b. Payment of the application fee,
- c. Three (3) moral character affidavits, and
- d. Forty (40) hours of CPE in the twelve (12) months preceding the application including an eight (8) hour accountancy law course pursuant to 21 NCAC 8F.0504.

4. If Bruce S. Atkins returns his suspended certificate in excess of fifteen (15) days of the receipt of this Order, Bruce S. Atkins can, after at least thirty (30) days, and the completion of his firm's SQR, apply to return his certificate to active status by submission and approval of a reissuance application which includes:

- a. Application form (which includes statements regarding use of title during forfeiture),
- b. Payment of the application fee,
- c. Three (3) moral character affidavits (on forms provided by Board),
- d. Forty (40) hours of CPE in the twelve (12) months preceding the application including an eight (8) hour accountancy law course pursuant to 21 NCAC 8F.0504, and
- e. Consent Order requiring payment of at least \$100.00 in administrative costs.

**Christopher P. Buck #26406**  
**Huntersville, NC 09/23/02**

*THIS CAUSE* coming before the Board on September 23, 2002, at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present, the Board finds, based on the clear and convincing evidence presented, that:

### FINDINGS OF FACT

1. Christopher P. Buck was the holder of a certificate as a Certified Public Ac-

countant in North Carolina and is therefore subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

2. Christopher P. Buck failed to timely obtain a State Quality Review (SQR) in accordance with provisions as required by NCGS 93-12(8c) and 21 NCAC 8M.0102.

3. Christopher P. Buck has subsequently failed to provide documentation to the Board that his SQR has been completed and is in excess of 120 days from the required completion date.

4. On August 7, 2002, Board staff sent, via Certified/Return Receipt Mail, Christopher P. Buck a Notice of Forfeiture and Demand for the return of his certificate. Christopher P. Buck received and signed for said Notice on August 13, 2002.

5. On August 28, 2002, Board staff received Christopher P. Buck's forfeited CPA certificate.

### CONCLUSIONS OF LAW

1. Christopher P. Buck's failure to timely obtain an SQR prior to the prescribed completion date is a violation of NCGS 93-12(8c) and 21 NCAC 8M.0102.

*BASED ON THE FOREGOING*, the Board orders that:

1. The status of Christopher P. Buck's forfeited certificate is changed to suspended for at least thirty (30) days from the date this Order is approved and

### Board Meetings

Monday, November 18

Tuesday, December 17

Meetings of the Board are open to the public except when, under State law, some portions of the meetings are closed to the public. Unless otherwise noted, meetings are held at the Board's office in Raleigh.

until the required SQR compliance information is received by the Board.

2. Christopher P. Buck can, after at least thirty (30) days, and the completion of his firm's SQR, apply to return his certificate to active status by submission and approval of a reissuance application which includes:

- a. Application form,
- b. Payment of the application fee,
- c. Three (3) moral character affidavits, and
- d. Forty (40) hours of CPE in the twelve (12) months preceding the application including an eight (8) hour accountancy law course pursuant to 21 NCAC 8F .0504.

**Lloyd C. Folks #7761**  
**Kinston, NC 09/23/02**

*THIS CAUSE* coming before the Board on September 23, 2002, at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present, the Board finds, based on the clear and convincing evidence presented, that:

#### **FINDINGS OF FACT**

1. Lloyd C. Folks is the holder of a certificate as a Certified Public Accountant in North Carolina and is therefore subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

2. Lloyd C. Folks failed to timely obtain a State Quality Review (SQR) in accordance with provisions as required by NCGS 93-12(8c) and 21 NCAC 8M. 0102.

3. Lloyd C. Folks has subsequently failed to provide documentation to the Board that his SQR has been completed and is in excess of 120 days from the required completion date.

#### **CONCLUSIONS OF LAW**

1. Lloyd C. Folks' failure to timely obtain a SQR prior to the prescribed completion date is a violation of NCGS 93-12 (8c) and 21 NCAC 8M.0102.

*BASED ON THE FOREGOING*, the Board orders that:

1. Lloyd C. Folks' certificate is suspended for at least thirty (30) days from the date this Order is approved and until the required SQR compliance information is received by the Board.

2. If Lloyd C. Folks fails to return his suspended certificate within fifteen (15) days of the receipt of this Order, the thirty (30) day suspension will be extended by the number of days that his certificate is late in being returned to the Board office.

3. If Lloyd C. Folks returns his suspended certificate within fifteen (15) days of the receipt of this Order, Lloyd C. Folks can, after at least thirty (30) days, and the completion of his firm's SQR, apply to return his certificate to active status by submission and approval of a reissuance application which includes:

- a. Application form,
- b. Payment of the application fee,
- c. Three (3) moral character affidavits, and
- d. Forty (40) hours of CPE in the twelve (12) months preceding the application including an eight (8) hour accountancy law course pursuant to 21 NCAC 8F .0504.

4. If Lloyd C. Folks returns his suspended certificate in excess of fifteen (15) days of the receipt of this Order, Lloyd C. Folks can, after at least thirty (30) days, and the completion of his firm's SQR, apply to return his certificate to active status by submission and approval of a reissuance application which includes:

- a. Application form (which includes statements regarding use of title during forfeiture),
- b. Payment of the application fee,
- c. Three (3) moral character affidavits (on forms provided by Board),
- d. Forty (40) hours of CPE in the twelve (12) months preceding the application including an eight (8) hour accountancy law course pursuant to 21 NCAC 8F .0504, and
- e. Consent Order requiring payment of at least \$100.00 in administrative costs.

## **Correction: Board's Tax ID Number**

The August 2002 issue of the *Activity Review*, contained a completed IRS Form W-9 for the Board.

However, two numbers were inadvertently transposed when the form was completed.

The correct tax ID number for the NC State Board of CPA Examiners is: 56-6017386.

The Board regrets any inconvenience this error may have caused.

## **November 2002 Uniform CPA Exam Schedule**

The November 2002 Uniform CPA Examination will be administered November 6-7 at the Raleigh Convention and Conference Center in Raleigh and the Benton Convention Center in Winston-Salem. The schedule is as follows:

### **Business Law & Professional Responsibilities (LPR)**

Wednesday, November 6, 2002  
9:00 a.m. - 12:00 noon

### **Auditing (AUD)**

Wednesday, November 6, 2002  
1:30 p.m. - 6:00 p.m.

### **Accounting & Reporting (ARE)**

Thursday, November 7, 2002  
8:30 a.m. - 12:00 noon

### **Financial Accounting & Reporting (FARE)**

Thursday, November 7, 2002  
1:30 p.m. - 6:00 p.m.

For additional information about the Uniform CPA Examination, please visit the Board's web site ([www.state.nc.us/cpabd](http://www.state.nc.us/cpabd)).

## **Board Office Closed**

The Board office will be closed Monday, November 11, 2002, in observance of Veterans' Day.

In addition, the Board office will be closed Thursday, November 28, 2002, and Friday, November 29, 2002, in observance of Thanksgiving.



## IRS Releases Amendments to Circular 230

The Internal Revenue Service (IRS) has published final regulations regarding amendments to Circular 230 involving non-tax shelter related practice before the IRS.

Circular 230 governs the right of CPAs, attorneys, enrolled agents, and enrolled actuaries to practice before the IRS.

Over the next few months, the IRS is expected to re-propose amendments to Circular 230, involving tax shelter related practice matters.

A brief summary of some of the major provisions of the final regulations follows:

- Section 10.20 requires (under certain limited conditions) that a practitioner provide information to the IRS regarding the identity of persons who may have possession or control of requested documents.

- In addition to a requirement to notify a client about any noncompliance, error, or omission on a client's part, Section 10.21 generally provides that a practitioner must advise the client of the consequences of such non-compliance, error, or omission.

- Section 10.27 clarifies the rules governing the prohibition on practitio-

ners receiving a contingent fee for positions taken or to be taken on an original tax return.

- The new regulations also address such issues as (a) the return of a client's records, (b) matters involving practitioner advertising and solicitations, (c) the disreputable conduct of a tax practitioner, and (d) IRS disciplinary proceedings.

These final regulations (TD 9011) are published in the Internal Revenue Bulletin (IRB 2002-33, 356) dated August 19, 2002, and are available on-line at [www.irs.gov/bus\\_info/bullet.html](http://www.irs.gov/bus_info/bullet.html).

### Certificates Issued

The following certificate applications were approved by the Board at its August 16, 2002, and September 23, 2002, meetings:

Elizabeth J. Aurilio  
William Mullen Aycock  
Christine Victoria Barcay  
Cerene Oceana Beauregard  
Adrian James Beasley  
Daniel Joseph Berry  
Peyton Randolph Black  
Thomas Robert Boothby  
Brian Dale Bradford  
Janette Louise Brown  
Jason Nicholas Brown  
Kathleen Donovan Bucher  
Lisa Langdon Burgess  
Cynthia Debra Carter  
Kellice Renee Chance  
Andrew David Chepick  
Shelly Renee Coe  
Richard Timothy Conner  
Michael Wayne Cook  
Brenda K. Currie  
Kristine Lynn Cutler  
Jessica Adeline Danninger  
Richard Earle deButts, III  
Vincent Michael DiSandro, Jr.  
William Robert Dresback, Jr.  
Robert Michael Fitzula, Jr.  
Deborah Fleischman  
Susan Carol Fox-Kirk  
Amanda Kinch Green  
Tammy Lynn Gregory  
Taylor Elizabeth Griffin  
John Frederick Hamilton

Brian Scott Hendrickson  
Thomas Michael Herbert  
W. Kelly Hill  
Christina Renee Hodge  
Dan Overby Holder, Jr.  
William Forrest Holder  
Michael G. Holmes  
Amanda Elizabeth Hubbard  
Angela Susan Jenkins  
Jamie Lynne Jones  
Jason Lee Kelley  
Emmitt Clark Kernoodle  
Anna Burgess Lau  
Martin Alan Lee  
Karen Fang Liu  
Michael Alan Mankowski  
Carol E. Martin  
Julia Lynn Martin  
John Alan Maser  
Adrienne Scherer McKinney  
Matthew James Molbert  
John Berchmans Montoro  
Timothy Randolph Morris  
Preeta Nayak  
Joseph Edward Oprosko, Jr.  
John Boone Paden  
Brian J. Petrequin  
Sidney Roy Pickett, Jr.  
James Lester Pierce  
Lisa Dianne Pierce  
Francis Xavier Pirozzi  
Eric C. Pompei

Andrew David Proctor  
Matthew D. Rice  
Kendra Dee Rich  
John Kim Richardson  
Randy Wayne Richartz  
Deanna Lynn Rios  
Patricia Ann Sabrinsky  
Lisa Hall Satterfield  
Kimberly Ann Savva  
Asit Sharma  
Maureen Virginia Sheehy  
Marion Holloway Simmons  
Laura Knight Smith  
Patricia Elizabeth Smith  
Ajamu H. Stoner  
Diane Leigh Taylor  
Jacqueline S. Taylor  
Samuel C. Thomas, III  
Kelly Ann Thornton  
Robert Marion Tilton  
Etim Jeremiah Udoh  
Jamen Earl Voss  
Kristin Lee Votta  
Alexander George Vuchnich  
Eric P. Wallace  
Kim M. Ward  
William Kent Weaver  
Lori Langley Webb  
Candice Sexton Whitehurst  
Clayton Anderson Whitesell  
Krista Lea Woodside  
James Bertram Zellmer  
Sarah Zinzer

## SSARS No. 8

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- No opinion (or any other form of assurance) on the financial statements will be provided.

- Management has knowledge about the nature of the procedures applied, and the basis of the accounting and assumptions used in the preparation of the financial statements.

- The financial statements reflect management's representation and it is agreed that they are not to be used by third parties.

- The financial statements cannot be relied upon to disclose errors, fraud, and illegal acts.

If applicable, the required documentation should also note the following statements:

- Material departures from GAAP or OCBOA may exist and the effects of those departures on the financial statements may not be disclosed.

- Substantially all disclosures and the statement of cash flows may be omitted.

- The CPA may lack independence with respect to the client.

- A reference to supplementary information is included in the financial statement package.

In those cases where a compilation report is not issued, CPAs must include a reference on each page of the financial statements indicating that they are "Restricted for Management's Use Only." Other phraseology that may be utilized in this financial statement legend could be "Solely for the Information of and Use by Management of Ann Wholesale, Inc., and Not Intended to Be and Should Not Be Used by Any Other Party."

When a CPA is engaged to report on compiled financial statements and the statements are, or reasonably might be expected to be, used by a third party, a compilation report still must be attached to the financial statements. In all circumstances, CPAs will be required to comply with the SSARS performance guidelines when they are compiling financial statements.

The performance standards for compilation engagements, whether or

not a report is issued as a result of the engagement, are as follows:

- The CPA should possess a level of knowledge of accounting principles and practices used in the industry in which the entity operates that will enable the compilation of financial statements appropriate in form for that industry.

- The CPA should possess a general understanding of the nature of the entity's business transactions, the form of its accounting records, the stated qualifications of its accounting personnel, the accounting basis on which the financial statements are to be presented (e.g., GAAP, OCBOA), and the form and content of the financial statements.

- The CPA should read the financial statements and consider whether they appear to be appropriate in form and free from obvious material errors.

CPAs are not required to make inquiries or perform other procedures to verify, corroborate, or review information supplied by the reporting entity. In cases where a CPA does make inquiries that reveal unsatisfactory information, the CPA should obtain additional and revised information. If management refuses, the CPA should withdraw from the engagement.

Besides the communications options it makes available, SSARS No. 8 makes a fundamental change in the definition of "submission" of financial statements. By modifying this definition, the ARSC believes that the majority of SSARS applicability problems faced by the profession will be solved. Under SSARS No. 7, submission of financial statements was defined as presenting to a client (or others) financial statements that the CPA has 1) *generated*, either manually or through computer software, or 2) *modified*, by materially changing account classifications, amounts, or disclosures directly on client-prepared financial statements. Under SSARS No. 8, submission of financial statements is defined as presenting to a client (or third parties) financial statements that the practitioner has prepared either manually or through computer software.

Although CPAs must still use their professional judgment in determining whether they have prepared or pre-

sented a financial statement, SSARS No. 8's modification to the submission of financial statements addresses issues associated with today's technological environment while maintaining a minimum level of service.

Pursuant to 21 NCAC 8N .0302(a), a CPA providing a SSARS No. 8 compilation to a client can only do so in a registered CPA firm. For CPA firms enrolled in a peer review program, a SSARS No. 8 compilation would have to be included in the engagements covered by SSARS. However, for CPA firms not enrolled in a peer review program, where the SSARS compilation with no report is the highest level of service provided to a client, would not be required to enroll in an approved practice monitoring program.

--From the article, "SSARS No. 8: New Guidance for Compilation Engagements," by Thomas A. Ratcliffe, Ph.D., CPA, as published in *The CPA Journal*, June 2001.

### IRS Seeks Volunteers for VITA Program; No CPE Credit for CPAs

The Internal Revenue Service is seeking North Carolina tax professionals to serve as instructors for the Volunteer Income Tax Assistance (VITA) program.

Instructors will train VITA volunteers to prepare basic tax returns for taxpayers with limited income, with disabilities, the elderly, and non-English speaking taxpayers.

If you are interested in participating, please contact John Lenik by telephone at (336) 378-2306.

Although enrolled agents can earn Continuing Professional Education (CPE) credits for participating in this program, North Carolina CPAs cannot.

Pursuant to 21 NCAC 8G .0409(d), CPAs cannot claim CPE credit for teaching or presenting a course unless the course is specifically designed as a CPE course for CPAs.

## Disciplinary Actions

**W. Kenneth Wease #12286**  
**Cary, NC 09/23/02**

*THIS CAUSE* coming before the Board on September 23, 2002, at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present, the Board finds, based on the clear and convincing evidence presented, that:

### FINDINGS OF FACT

1. W. Kenneth Wease is the holder of a certificate as a Certified Public Accountant in North Carolina and is therefore subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. W. Kenneth Wease failed to timely obtain a State Quality Review (SQR) in accordance with provisions as required by NCGS 93-12(8c) and 21 NCAC 8M.0102.
3. W. Kenneth Wease has subsequently failed to provide documentation to the Board that his SQR has been completed and is in excess of 120 days from the required completion date.

### CONCLUSIONS OF LAW

1. W. Kenneth Wease's failure to timely obtain a SQR prior to the prescribed completion date is a violation of NCGS 93-12(8c) and 21 NCAC 8M.0102.

*BASED ON THE FOREGOING*, the Board orders that:

1. W. Kenneth Wease's certificate is suspended for at least thirty (30) days from the date this Order is approved and until the required SQR compliance information is received by the Board.
2. If W. Kenneth Wease fails to return his suspended certificate within fifteen (15) days of the receipt of this Order, the thirty (30) day suspension will be extended by the number of days that his certificate is late in being returned to the Board office.
3. If W. Kenneth Wease returns his suspended certificate within fifteen (15) days of the receipt of this Order,

W. Kenneth Wease can, after at least thirty (30) days, and the completion of his firm's SQR, apply to return his certificate to active status by submission and approval of a reissuance application which includes:

- a. Application form,
  - b. Payment of the application fee,
  - c. Three (3) moral character affidavits, and
  - d. Forty (40) hours of CPE in the twelve (12) months preceding the application including an eight (8) hour accountancy law course pursuant to 21 NCAC 8F.0504.
4. If W. Kenneth Wease returns his suspended certificate in excess of fifteen (15) days of the receipt of this Order, W. Kenneth Wease can, after at least thirty (30) days, and the completion of his firm's SQR, apply to return his certificate to active status by submission and approval of a reissuance application which includes:
    - a. Application form (which includes statements regarding use of title during forfeiture),
    - b. Payment of the application fee,
    - c. Three (3) moral character affidavits (on forms provided by Board),
    - d. Forty (40) hours of CPE in the twelve (12) months preceding the application including an eight (8) hour accountancy law course pursuant to 21 NCAC 8F.0504, and
    - e. Consent Order requiring payment of at least \$100.00 in administrative costs.

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**Maurice S. Hamilton #22354**  
**Germantown, MD 08/16/02**

*THIS CAUSE*, coming before the Board at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to NCGS 150B-41 and 150B-22, the Board and Respondent stipulate the following Findings:

1. Respondent is the holder of North Carolina certificate number 22354 as a Certified Public Accountant.
2. In June of 1999, the Board approved a Consent Order with Respondent regarding, in part, Respondent's failure

to return client records upon demand to at least four (4) clients and failure to respond in a timely manner to Board inquiries. Under the terms of that Order, Respondent agreed to a one-year suspension that was stayed upon the condition that he violate no accountancy law or rules at any time during the period of June 1999 through June 2000.

3. Respondent gave notice to the Board that he was dissolving his practice and moving out-of-state as of December 31, 1999. Respondent secured client records in storage areas but was not readily accessible to clients in order to return client records upon demand.

4. In November of 2000, the Board received a complaint that for a period of at least fifteen (15) months Respondent had again failed to return client records upon demand.

5. Despite two subsequent letters requesting Respondent's reply to the complaint, Respondent did not reply to these Board inquiries until Board staff contacted Respondent by telephone.

6. In May of 2001, the complainant sent a letter to Board staff informing the Board that Respondent had returned all client records and the complainant requested that his complaint be withdrawn.

7. Respondent wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Order with the Board *ex parte*, whether or not the Board accepts this Order as written.

*BASED UPON THE FOREGOING*, the Board makes the following Conclusions of Law:

1. Respondent is subject to the provisions of Chapter 93 of the North Carolina General Statutes (NCGS) and Title 21, Chapter 8 of the North Carolina Administrative Code (NCAC), including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. Respondent's conduct as set out above constitutes violations of NCGS 93-12(9)e and 21 NCAC 8N.0206 and 8N.0305 (a).



*BASED ON THE FOREGOING* and in lieu of further proceedings under 21 NCAC Chapter 8C, the Board and Respondent agree to the following Order:

1. Respondent's certificate is suspended for one (1) year; however, said suspension is stayed.
2. Respondent has voluntarily surrendered his North Carolina CPA certificate to the Board and agrees that he will not request the reinstatement of his surrendered certificate for at least one (1) year.
3. Respondent shall send a letter by certified/return receipt mail to all North Carolina clients whose records Respondent still has in his possession in an attempt to return all of those client records.

## Comments?

Do you have questions or comments regarding items published in the *Activity Review*?

If so, please e-mail your questions or comments to Lisa R. Hearne at ([lhearne@bellsouth.net](mailto:lhearne@bellsouth.net)).

## Address Changed?

Pursuant to 21 NCAC 8J .0107, all North Carolina CPAs and CPA firms must notify the Board, in writing, within 30 days of any change of address or business location.

For your convenience, a "Notice of Address Change" form is printed on the back cover of each issue of the *Activity Review*.

Licensees should mail or fax the change(s) to Alice Steckenrider. Changes may also be e-mailed to [alicegst@bellsouth.net](mailto:alicegst@bellsouth.net).

CPA firms should mail or fax the change(s) to Martha Traina. Changes may also be e-mailed to [marthatraina@bellsouth.net](mailto:marthatraina@bellsouth.net).

Exam candidates should mail or fax the change(s) to Phyllis Elliott or Judith Macomber. Changes may also be e-mailed to [pwelliot@bellsouth.net](mailto:pwelliot@bellsouth.net) or [jmacombe@bellsouth.net](mailto:jmacombe@bellsouth.net).

## Reclassifications

### Reinstatements

**08/16/02**  
Debra Spainhour Batts #13181  
Deborah Pugh Jefferson #17245

**09/23/02**  
Barbara B. Carter #13307  
Brent Donald Hollingsworth #24908  
Danny B. West #12287  
Susan Elizabeth Youngblood #24192

### Reissuance

**09/23/02**  
Calvin Lewis Blanton #16066  
Tanya Yvette Mitchell #14136

### Retired

"Retired," when used to refer to the status of a person, describes one possessing a North Carolina certificate of qualification who verifies to the Board that the applicant does not receive or intend to receive in the future any earned compensation for current personal services in any job whatsoever and will not return to active status [21 NCAC 8A .0301(b)(23)].

**08/16/02**  
Martin W. Doherty Chapel Hill, NC  
**09/23/02**  
Charles C. Cline Statesville, NC

### Inactive

"Inactive," when used to refer to the status of a person, describes one who has requested inactive status and been approved by the Board and who does not use the title "certified public accountant" nor does he or she allow anyone to refer to him or her as a "certified public accountant" and neither he or she nor anyone else refers to him or her in any representation as described in 21 NCAC 8A .0308(b) [21 NCAC 8A .0301(b)(23)].

07/31/02	Harper Cole, Jr.	Cary, NC
07/31/02	Robert George Willey, Jr.	Charlotte, NC
07/31/02	William Sherrod Rhodes	Brentwood, TN
07/31/02	Blair Tucker Hatcher	Chicago, IL
07/31/02	David Edwin Allen	Raleigh, NC
07/31/02	Michael Ray Cauble	Asheville, NC
07/31/02	Judith Ann Melton	Sanford, NC
07/31/02	Alita Dionne Balmer	Cedar Park, TX
07/31/02	Melissa Smith Phillips	Columbia, TN
07/31/02	Angela L. Burcham	Davidson, NC
07/31/02	Eric William Gilbert Zetterholm	Asheville, NC
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